Department of Finance

News Release

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Canada's New Government Creates a Climate for Small Business Success

The Honourable Jim Flaherty, Minister of Finance, toured Cabinetmaster Architectural Woodwork Ltd. today in Charlottetown to highlight the Government's efforts to create an Entrepreneurial Advantage for Canadian small businesses.

"Small and medium-sized businesses and entrepreneurs are the motors of our modern economy—they work hard, they create jobs and they make our country work," said Minister Flaherty. "Cabinetmaster is one of the more than 2 million such businesses in Canada today. It's a local success story that is truly an inspiration."

"Budget 2007 was a big budget for small business providing a number of initiatives that will help small- and medium-sized businesses save time and invest for the future," said Garth Whyte, CFIB's Executive Vice-President. "We were particularly pleased to see two measures for which CFIB has been advocating for some time in this budget—increasing the lifetime capital gains exemption to $750,000 and reducing government paper burden on business by 20 per cent. These measures will be of great benefit to many smaller firms right across Canada."

Cabinetmaster manufactures and supplies commercial casework and millwork to markets throughout Canada, the United States and the Caribbean, and is now looking to expand into the European market. The business has expanded four times since its inception in 2002, and has increased its staff from 12 to over 90 people and growing.

To ensure businesses like Cabinetmaster continue to do well, Canada's New Government introduced a package of initiatives in Budget 2007 to make it easier for them to reach their full potential, including:

- Increasing the lifetime capital gains exemption for small business owners, farmers and fishermen and fisherwomen to $750,000 from $500,000.
- Requiring key federal regulatory departments and agencies to achieve a 20-per-cent reduction in administrative and information obligations imposed on small business.
- Reducing the tax compliance burden on small business by decreasing the frequency of their tax remittance and filing requirements.

- Improving labour market programming to help Canadians develop the skills they need and employers want.

- Helping employers meet immediate skills shortages by improving the Temporary Foreign Worker Program with a $50.5-million investment over two years.

"Our government is doing what it can to create an economic climate that breeds success—a climate with lower taxes, reduced regulation and greater opportunities," said Minister Flaherty. "Government cannot do it alone, and again I would like to ackowledge the leadership of the Canadian Federation of Independent Business for supporting these initiatives and promoting small and medium-sized businesses throughout Canada."

"As a busy company, our time is valuable, so cutting back on government paperwork and reducing the number of GST remittances will really help free me up and free up my employees to do what we need to do to fill orders and grow this business," said Gordie Kirkpatrick, owner of Cabinetmaster.

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